

SENATE BILL No. 381

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-12-22.5.

Synopsis: Repayment of student loans. Provides that an individual who: (1) obtained student loans to pay for postsecondary education from an institution located in Indiana; and (2) resides and works in Indiana after graduating from a postsecondary institution; may enter into an agreement with the state student assistance commission to have the commission assume the repayment of 25% of the principal and interest due on the student loan each year the individual resides and works in Indiana. Limits the repayment program to those students who graduate after June 30, 2006.

Effective: July 1, 2006.

Rogers

January 11, 2006, read first time and referred to Committee on Education and Career Development.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 381

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-22.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2006]:

4 **Chapter 22.5. Student Loan Repayment for Eligible Indiana**
5 **Residents**

6 **Sec. 1.** As used in this chapter, "commission" refers to the state
7 student assistance commission established by IC 20-12-21-4.

8 **Sec. 2.** As used in this chapter, "eligible individual" refers to an
9 individual who:

10 (1) obtains one (1) or more student loans to attend a qualified
11 institution located in Indiana;

12 (2) graduates after June 30, 2006, from a qualified institution
13 located in Indiana; and

14 (3) following graduation, resides and is employed in Indiana.

15 **Sec. 3.** As used in this chapter, "qualified institution" has the
16 meaning set forth in IC 20-12-21.1-1(e).

17 **Sec. 4. (a)** The commission shall enter into a written agreement

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1 with an eligible individual that provides that for each year:

2 (1) the eligible individual resides; and

3 (2) during which the eligible individual is employed;

4 in Indiana, the commission shall assume the repayment of
5 twenty-five percent (25%) of the principal and interest due on any
6 student loans the eligible individual received to attend a qualified
7 institution, following the eligible individual's graduation from the
8 qualified institution.

9 (b) An eligible individual may annually enter into an agreement
10 under this section for each year the eligible individual resides and
11 is employed in Indiana following the eligible individual's
12 graduation from a qualified institution.

13 Sec. 5. The commission may adopt rules under IC 4-22-2 to
14 carry out this chapter. Rules adopted under this section may
15 require an eligible individual to provide proof that the eligible
16 individual resides and is employed in Indiana.

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